

VILLAGE OF GURNEE

2002- 17

AN ORDINANCE ESTABLISHING A SYSTEM
FOR THE LICENSING OF ORGANIZATIONS TO OPERATE
RAFFLES IN THE VILLAGE OF GURNEE, ILLINOIS
ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES
OF THE
VILLAGE OF GURNEE, ILLINOIS

ON

February 18, 2002

**Published in pamphlet form by authority of the Village Board
of the Village of Gurnee, Lake County, Illinois,**

this 18th day of February, 2002.

DONALD F. RUDNY, President
MARY JO KOLLROSS, Clerk

RUDOLPH F. MAGNA, JR., Attorney

THOMAS A. CHAMBERLAIN, Trustee

RAY DAMIJONAITIS, Trustee

KRISTINA KOVARIK, Trustee

JEANNE E. BALMES, Trustee

WILLIAM FINN, Trustee

BARBARA THOMA, Trustee

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AN ORDINANCE ESTABLISHING A SYSTEM
FOR THE LICENSING OF ORGANIZATIONS TO OPERATE
RAFFLES IN THE VILLAGE OF GURNEE, ILLINOIS

WHEREAS, the Corporate Authorities have determined that it is in the best interest of the welfare and safety of its citizens that the conduct of raffles within the Village of Gurnee be licensed and regulated; and

WHEREAS, Illinois "Raffles Act", 230 ILCS par. 15/0.01 et seq. (2000) authorizes the governing body of any county or municipality within the State of Illinois to establish a system of licensing of raffles;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND THE BOARD OF TRUSTEES OF THE VILLAGE OF GURNEE, LAKE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, AS FOLLOWS;

SECTION I: Definitions.

A. "Business": A voluntary organization composed of individuals and businesses who have joined together to advance the commercial, financial, industrial and civil interests of a community.

B. "Charitable": An organization or institution organized and operated to benefit an indefinite number of the public. The service rendered to those eligible for benefits must also confer some benefit on the public.

C. "Educational": An organization or institution organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorably in their scope and intensity with the course of study presented in tax-supported schools.

D. "Fraternal": An organization of persons having a common interest, the primary interest of which is to both promote the welfare of its members and to provide assistance to the general public in such a way as to lessen the burdens of government by caring for those that otherwise would be cared for by the government.

E. "Labor": An organization composed of workers organized with the objective of betterment of the conditions of a higher degree of efficiency in their respective occupations.

F. "Net proceeds": The gross receipts from the conduct of raffles, less reasonable sums expended for prizes, license fees, and other reasonable operating expenses incurred as a result of operating a raffle.

G. "Non-profit": An organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation.

H. "Raffle": A form of lottery, as defined in Section 28-2(b) of the "Criminal Code of 1961", conducted by an organization licensed under this Ordinance, in which:

1. The player pays or agrees to pay something of value for a chance, represented and differentiated by a number or by a combination of numbers or be some other medium, one or more of which chances is to be designated the winning chance;
2. The winning chance is to be determined through a drawing or by some other method based on an element of chance by an act or set of acts on the part of persons conducting or connected with the lottery, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.

I. "Religious": Any church, congregation, society, or organization founded for the purposes of religious worship.

J. "Veterans": An organization or association comprised of members of which substantially all are individuals who are veterans of military service, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit.

SECTION II: License

License required. No person, firm, corporation or other entity shall conduct raffles or chances without having first obtained a license therefore pursuant to this Ordinance and the "Raffles Act".

SECTION III: Application

A. Applications shall be made in writing through the Village Clerk's office at least thirty (30) days prior to the first day intended for sale of the raffle chances. The application shall be on a form furnished by the Village Clerk.

B. Applications for licenses under this article must contain the following information:

1. Name of applicant.
2. Address.
3. Purpose of raffle.
4. Area within the Village where the raffle is to be conducted.
5. Time period during which chances will be sold or issued.
6. Sworn statement attesting to not-for-profit character of the prospective licensee organization, signed by the presiding officer and secretary of the organization.
7. Date, time and location at which winning chances will be determined.
8. The aggregate retail value of all prizes or merchandise to be awarded by a single raffle.
9. The maximum retail value of each prize or each specific type of prize to be awarded by a licensee in a single raffle.
10. The maximum to be charged for each raffle chance and the number of chances to be issued for each raffle.
11. The name(s) and address(es) of the operator of the raffle if not an officer or member of the applicant organization.

SECTION IV: Validity of License.

Each such license shall be valid for one raffle or for a specified number of raffles during a specified period not to exceed one year, and may be suspended or revoked by the Corporate Authorities in the event of violation of the terms of this Ordinance or of any applicable State law.

SECTION V: Ineligibility for License.

The following are ineligible for any license under this Ordinance:

1. Any person who has been convicted of a felony;
2. Any person who is or has been a professional gambler or gambling promoter;
3. Any person who is not of good moral character;
4. Any firm or corporation in which a person defined in (1), (2), or (3) has a proprietary, equitable or credit interest, or in which such a person is active or employed;

5. Any organization in which a person defined in (1), (2), or (3) is an officer, director or employee, whether compensated or not;
6. Any organization in which a person defined in (1), (2), or (3) is to participate in the management or operation of a raffle as defined in the "Raffles Act".

SECTION VI: Not for profit organizations.

Licenses shall be issued only to bona fide non-profit religious, charitable, labor, business, fraternal, educational or veterans' organizations as defined in Section 1 which operate without profit to their members and which have been in existence continuously for a period of 5 years immediately before making application for a license and which have had during that entire 5 year period a bona fide membership engaged in carrying out their objectives, or to a non-profit fund raising organization that the licensing authority determines is organized for the sole purpose of providing financial assistance to an identified individual or group of individuals suffering extreme financial hardships as the result of an illness, disability, accident or disaster.

SECTION VII: Limitations.

1. The aggregate retail value of all prizes or merchandise awarded by a licensee in a single raffle under this Ordinance and in accordance with applicable state law is limited to \$250,000.00.
2. The maximum retail value of each prize awarded by a licensee in a single raffle is limited to \$200,000.00.
3. The maximum price which may be charged for each raffle chance issued or sold is limited to \$100.00.
4. The maximum number of days during which chances may be issued or sold is limited to 120 days.
5. Licenses issued shall be valid for one raffle or for a specified number of raffles to be conducted during a specified period not to exceed one year and may be suspended or revoked for any violation of the "Raffles Act" of this Ordinance.

SECTION VIII: Fees.

The fee for such a license to conduct a raffle shall be \$0.

SECTION IX: Approval.

The Village of Gurnee shall, within thirty (30) days, evaluate and either approve or disapprove of said application. The Village's approval of an application for a license shall constitute the license for the conduct of the raffle applied for by the applicant.

SECTION X: Conduct of raffles.

The conducting of raffles is subject to the following restrictions:

- A. Proceeds. The entire net proceeds of any raffle must be exclusively devoted to the lawful purpose of the organization permitted to conduct that game.
- B. Participation in management. No person except a bona fide member of the sponsoring organization may participate in the management or operation of the raffle.
- C. Remuneration. No person may receive any remuneration or profit for participating in the management or operation of the raffle.
- D. Premises. A licensee may rent a premises on which to determine the winning chance or chances in a raffle only from an organization which is also licensed under this Ordinance.

E. Locations. Raffle chances may be sold or issued only within the area specified on the license and winning chances may be determined only at those locations specified on the license.

F. Age of participants. No person under the age of eighteen (18) years may participate in the conducting of raffles or chances. A person under the age of eighteen (18) years may be within the area where winning chances are being determined only when accompanied by his/her parent or guardian.

G. Location for determining winning chance(s). The location of the premises on which to determine the winning chance or chances in a raffle shall be restricted to a business district, commercial district or where a special use permit has been granted for a school, church, government or similar institution.

SECTION XI: Records.

A. Each organization licensed to conduct raffles and chances shall keep such records and shall also keep records of its gross receipts, expenses and net proceeds for each single gathering or occasion at which chances are determined.

B. Gross receipts from the operation of raffles programs shall be segregated from other revenues of the organization, including bingo gross receipts, if bingo games are also conducted by the same nonprofit organization pursuant to license therefore issued by the Department of Revenue of the State of Illinois, and shall be placed in a separate account. Each organization shall have separate records of its raffles. The person who accounts for gross receipts, expenses and net proceeds from the operation of raffles shall not be the same person who accounts for other revenues of the organization.

C. Each organization licensed to conduct raffles shall report promptly after the conclusion of each raffle to its membership, and to the Village of Gurnee, its gross receipts, expenses and net proceeds from raffles, and the distribution of net proceeds itemized as required in this Section.

D. Records required by this Section shall be preserved three (3) years, and organizations shall make available their records relating to operation of raffles for public inspection at reasonable times and places.

SECTION XII: Manager's Bond.

All operations of and conduct of raffles shall be under the supervision of a single raffles manager designated by the organization. The manager or operator of the raffle must be a bona fide member of the organization holding the license for such a raffle and may not receive any remuneration or profit for participating in the management or operation of the raffle. The manager shall give a fidelity bond in the sum of the total value of the prizes to be awarded in the raffle conditioned upon his/her honesty in the performance of his/her duties. Terms of the bond shall provide that notice shall be given in writing to the Village not less than thirty (30) days prior to its cancellation. The Village may waive this bond requirement by including a waiver provision in the license issued to an organization under this article, provided that a license containing such waiver provision shall be granted only by unanimous vote of the members of the Village Board.

SECTION XIII: Suspension/Revocation.

Any license granted under this Ordinance may be suspended or revoked by the Village at any time it appears that the proposed or actual operation of the raffle will be or is such as to constitute a public nuisance or to endanger the public peace, health, safety or welfare. Any license granted under this Ordinance may be suspended or revoked in whole or in part at any time that the raffle is conducted contrary to the license or to any State or Village law, or when such raffle or portion thereof is conducted so as to constitute a public nuisance or to disturb the peace, health, safety or welfare. Suspension or revocation shall become effective immediately. It shall be a violation for any person to operate, engage or participate in, except as a patron, any raffle which license has been suspended or revoked.

SECTION XIV: Punishment.

Any raffle permit issued under this Ordinance shall be revoked or suspended if the permit holder violates any terms of the license or any other provisions of this Ordinance. Any violation of this Ordinance shall be subject to a fine up to seven hundred fifty dollars (\$750). Each day that a violation hereof exists shall be considered a separate offence. Each raffle held in violation hereof shall be considered a separate offence.

SECTION XV: Nothing in this Ordinance shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action arising, acquired or existing under any act or ordinance or portion thereof hereby repealed or amended by this ordinance; nor shall any just or legal right, claim, penalty or remedy of any character of the corporate authority existing on the effective date hereof be lost, impaired or affected by this Ordinance.

SECTION XVI: All ordinances or parts of ordinances in conflict herewith are to the extent of such conflict, hereby repealed.

SECTION XVII: If any provision, clause, sentence, paragraph, section, or part of this ordinance or application thereof to any person, firm, corporation, public agency or circumstance, shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this ordinance and the application of such provision to other persons, firms, corporation, or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person, firm, corporation, or circumstances involved. It is hereby declared to be the legislative intent of the corporate authorities that this ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

SECTION XVIII: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as required by law.

Passed and approved this 18th day of February, 2002.

Ayes: Thomas A. Chamberlain, Ray Damijonaitis, Kristina Kovarik, Jeanne E. Balmes, William Finn, Barbara Thoma

Nays: None.

Absent/Abstain: None.

APPROVED BY: DONALD F. RUDNY, President

ATTEST BY: MARY JO KOLLROSS, Village Clerk